



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

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Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 13, 2005

Mr. Wayne Ash
Unico, Inc., Deer Trail Mine
P.O. Box 129
Marysvale, Utah 84750

Subject: Conditional Approval to Amend Large Mining Operations, Unico, Inc.,
Deer Trail Mine, M/031/003, Piute County, Utah

Dear Mr. Ash:

The Division has completed a review of your latest response regarding your amended large mine plan, received April 27, 2005. The Division is now prepared to grant conditional approval of the amended Deer Trail large mining permit application.

Prior to issuing final approval, we require that you provide us with:

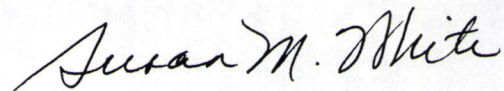
1. two copies of the complete and corrected pages to be inserted into your plan. When final approval is issued, one copy will be stamped "approved" and returned to you for your records;
2. The Reclamation Surety amount and Reclamation Contract (Form MR-RC) must be amended. The reclamation surety will need to be increased by \$22,200.00 to a new total of \$158,300 (estimate attached). This may be done by increasing the existing surety, or by providing a new surety. The Reclamation Contract will be amended in the form of a letter addendum to reflect the revised surety information. Please contact Beth Ericksen at (801) 538-5318 for information regarding completing the required revisions. In addition, please have your banking officer contact Beth to discuss details outlining surety requirements and forms.

**Please provide the required surety, Reclamation Contract
amendments and clean copies within 30 days.**

Wayne Ash
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July 13, 2005

Thank you for your cooperation and patience in completing this permitting process. If you have any questions regarding this letter, please contact me at (801) 538-5258 or Lynn Kunzler at 538-5310.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW :lkjb
Attachment: Surety Estimate
cc : Mark Lopez, Unico, Inc.
O:\M031-Piute\M0310003-Unico\final\AMEND-07132005.doc